

Message Text

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44

ACTION TRSE-00

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 L-03 SEC-03 /109 W

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R 101125Z JUN 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 3029

INFO USMISSION OECD PARIS

UNCLAS VIENNA 5127

E.O. 11652: N/A

TAGS: EFIN, AU

SUBJECT: FOREIGN REGULATIONS OF FOREIGN BROKERS

AND UNDERWRITERS

REFS: (A) STATE 79749 (B) VIENNA A/189

1. AUSTRIAN FINANCE MINISTRY AND AUSTRIAN NATIONAL BANK SOURCES INDICATE THAT AS IN THE CASE OF FOREIGN BANKS (REF B), THERE EXIST NO DIRECT OR INDIRECT CONTROLS FOR FOREIGN BROKERS AND UNDERWRITERS OPERATING ON THE AUSTRIAN MARKET THAT WOULD NOT EQUALLY APPLY TO LOCAL BROKERS AND UNDERWRITERS. A BROKERAGE SYSTEM COMPARABLE TO THAT EXISTING IN ENGLISH-SPEAKING COUNTRIES DOES NOT EXIST IN AUSTRIA. IN AUSTRIA, SECURITIES TRANSACTIONS HAVE TO BE CARRIED OUT THROUGH BANKING INSTITUTES SPECIALLY AUTHORIZED FOR THAT PURPOSE. HENCE, BROKERS WITHOUT BANKING LICENSE ARE PERMITTED ONLY TO ACT AS AGENTS AND INTERMEDIARIES, BUT NOT FOR THEIR OWN ACCOUNT. AS THEY ARE NOT ALLOWED TO EFFECT TRANSACTIONS IN SECURITIES DIRECTLY WITH RESIDENT PRIVATE INVESTORS, THE SCOPE OF THEIR ACTIVITIES IS VERY LIMITED.

2. ALL OF THE AFOREMENTIONED OBSTACLES AFFECT LOCAL AND FOREIGN BROKERS ALIKE BECAUSE, DUE TO AUSTRIAN LEGISLATION, A FOREIGN BROKER (AS WELL AS UNDERWRITERS, OR ANY OTHER ENTER-
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PRISE OR PERSON) IS CONSIDERED TO BE AUSTRIAN RESIDENT AND/OR

LOCAL ENTERPRISE IF MORE THAN THREE MONTHS HAVE ELAPSED
SINCE RESIDENCE ESTABLISHED IN AUSTRIA.

3. EMBASSY ATTEMPTING TO DEVELOP ADDITIONAL INFORMATION
FROM STOCK EXCHANGE AUTHORITIES AND WILL REPORT RESULTS.HUMES

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Message Attributes

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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Document Unique ID: 00
Drafter: n/a
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